GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:6304
ANSWERED ON:06.05.2005
NATIONAL HANDLOOM DEVELOPMENT CORPORATION
Kharventhan Shri Salarapatty Kuppusamy

Will the Minister of TEXTILES be pleased to state:

(a) whether the turnover and profit of National Handloom Development Corporation Limited has been sharply declined over the years;

(b) if so, the details thereof for the last three years, Year-wise;

(c) the reasons for decline of the same;

(d) the steps taken by the Government to improve the turnover, profit and the performance of the National Handloom Development Corporation Limited; and

(e) if so, the details thereof?

Answer

MINISTER OF TEXTILES(SHRI SHANKERSINH VAGHELA)

(a)&(b)The details of turnover and profit of National Handloom Development Corporation Limited (NHDC) for the last three years are as under:-

Years	Turnover (Rs. in lac)	Profit (Rs. in lac)
2001-02	21056.71	33.37
2002-03	39239.28	211.16
2003-04	28472.97	145.14

(c) The reasons for lower turnover during 2003-04 were: -

(i) Due to Changes in implementation pattern of supply of yarn under CENVAT scheme, NHDC could get lesser value of orders of Yarn.

(ii) Supplies further reduced on account of firm trend in yarn prices for some part of the year coupled with exchange rate of rupee, affected the smooth execution of export orders thereby affecting the yarn orders on the NHDC from the exporting agencies.

(iii) Due to major changes in distribution system of yarn under CENVAT scheme by enhancing direct benefit to exporters by excise department through Form CT-2.

(iv) Many states agencies are undergoing restructuring and also financial position of weaver societies is quite critical.

(d)&(e)The NHDC is a developmental agency and its main role is to act as an agency for supplying yarn at reasonable prices. Supplies of yarn depend upon a variety of factors like continued orders with the Handloom agencies, financial resources, marketability of products. NHDC has continuously been striving hard to increase their coverage by adopting a number of steps such as: -

(i) Cluster approach has been adopted to increase supplies.

(ii) Buyers/sellers meet have been started by NHDC to offer the yarn from the alternate sources.

(iii) Publicity for Mill Gate Price Scheme.

(iv) NHDC has also organized Appropriate Technology Exhibitions, Sensitization Programme, Eco-Friendly Dyers Training Programmes and Human Resource Development (HRD) Programmes for Handloom Sector. This has benefited the handloom

weavers to improve their skills and quality